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ABSTRACT

Business firms are an integral part of the age stratification structure of society. Although the age structures of people and roles within the organization are dynamic, these structures yield a fairly stable strata in which norms exist to suggest the various roles expected of certain persons. Those in roles with greater financial rewards, power, and prestige tend to be older. This is true, not only because age suggests knowledge and experience, but also because such a system provides motivation for younger workers to improve performances and stay with one company. Furthermore, older members in the top ranks also ensure turnover in the top ranks. Several organizational practices, such as career paths, serve to maintain the age stratification system. Three observations can be made about formal organizations and the aging process, i.e.,: (1) several kinds of individual aging take place within an organization; (2) aging is a form of automatic mobility; and (3) work organizations need a continual replenishment of the ranks in order to survive. The study of the aging individual cohort and of the succession of cohorts is needed to further the understanding of organizational processes and aging. (NRB)

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AGING AND WORK ORGANIZATIONS

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Several kinds of aging take place within the embrace of the work organization. Members age in the usual sense of growing older. Members age in the organizational sense of increasing the length of their affiliation with the institution. Members age in the particular roles they hold as their tenure in them is extended. The population of the organization becomes older (or perhaps younger) as the operation of its demographic processes changes the age composition. All the while, the organization itself grows older as it moves away from newness and toward or perhaps beyond maturity.

These various aging processes and the points at which they intersect form a research agenda that could occupy a generation of scholars. Unfortunately too few such studies are available now to make their review and synthesis a major purpose of this paper. But this lack of empirical studies has far more serious implications. Over the past few years legislation relating to aging and organizations has been devised--and resisted--without benefit of adequate data. The effort to extend the age of mandatory retirement, for example, was forwarded and opposed with, at best, anecdotal data on the effect it would have on businesses and other organizations. (See Marc Rosenblum, 1977.) Another realm

gravely uninformed by pertinent empirical research is the growing body of laws, cases, and administrative regulations, concerning age discrimination (Yale Law Journal, 1979). Recent judicial dicta and observations regarding how age affects decisions within organizations or how age relates to getting ahead clearly demonstrate how little is generally known about such issues and how consequential that lack of knowledge can be.

The objectives of this paper thus are to "raise consciousness" about age and organizational issues and stimulate lines of empirical research promising to enrich theories of age and organizations and to inform the development of the age-related policies that have come increasingly to govern group life. The approach will be to apply aspects of the age stratification paradigm (Riley, Johnson and Foner, 1972) to help expose some of the stereotypical thinking that so often imperils understanding of age factors and aging processes in organizational contexts and to provide a framework for examining the workings of the aging-organization nexus, especially in such crucial areas as the allocation of rewards and mobility. First we examine work organizations as structures that are part of the age stratification system as well as maintain their own age stratification system. This section will deal with such issues as the relationship between age and the opportunity for the roles and the rewards

that an organization has to offer. Next we look at organizations in terms of age-linked processes: aging and cohort succession.

The discussion will focus primarily on work organizations, especially their bureaucratic components. The reasons are two-fold. It is here that the legitimacy of age as an explanation for individual or organizational behaviors and events appears to be coming under the most legislative and public interest scrutiny. Further, so much of the experience of growing older takes place in work organizations that it behooves us to learn as much as possible about such institutions so as to make the experience as rewarding as possible.

WORK ORGANIZATIONS AND AGE STRATIFICATION

Nearly all societies come to some sort of consensus as to what kind of social roles and rewards are appropriate for people of certain ages. That is, societies inevitably develop two dynamic, albeit implicit, structures that are stratified by age: one of people and one of roles. (Riley, Johnson, and Foner, 1973; Riley and Waring, 1976.) The age structure of people continually changes as the people in it grow older and as it is reshaped by the operation of demographic processes. The role structure likewise continually changes as roles are added or withdrawn or revised as a result of hosts of environmental events. Because age

criteria are used in the allocation of roles--and all roles are not equal in terms of their desirability--age inequalities result. Inevitably, people of certain ages have better access to desirable roles than others. In this paper, we view work organizations as having similar age structures--of people and jobs. Work organizations are, in fact, microcosms of the age stratification system of the society as well as nested within it.

Firms as Age Grades

Business firms, like schools, voluntary associations and many other formal organizations are an integral part of the age stratification structure of the society. That is, they function to define as well as provide what is normatively agreed upon as appropriate activity for people within particular age boundaries. For example, joining a firm is virtually tantamount to joining the ranks of adulthood. Moving up the hierarchy of a firm is virtually the measure of being a success as an adult. Leaving the work organization--and concommitantly the labor force--is for some an announcement that middle-aged adulthood is over and that old age has begun. Collectively, business firms form one of the most significant age grades in the society. Indeed, they are the locus of some of the most highly valued roles the society has to offer.

Employing organizations like other age stratified systems typically use age criteria--formal or informal--to specify appropriate times of entry and exit to their system. Some business firms provide opportunities for a succession of roles covering the entire span of what is usually considered adulthood. Other firms, by design or fortune are short span institutions. Some, positioned in the secondary labor market, have jobs taken up only by the young and old who because of low skills and status cannot compete for more desirable roles elsewhere (Spilerman, 197). Some work organizations are viewed only as transitory training places to be an apprentice or improve skills before a more permanent niche is sought, e.g., law firm. Some firms because they specialize, so to speak, in entry positions tend to be young (as measured by median age) while others are young because they are expanding (which typically means the hiring of young people). Similarly organizations in decline more often tend to have a population of employees which is relatively old.

In these ways work organizations make crucial contributions to the age stratification structure. While firms may simply let labor market forces dictate the age composition of the employee populations, it appears that they can no longer, legally, deliberately specialize in certain age categories. It is as if government has recognized the crucial function of the firm as an adult age grade and has,

through law, ensured that whatever role opportunities exist must be made available to all the ages that are ordinarily thought to comprise adulthood.

That organizations are comprised of people in various stages of adulthood is a critical point. Unlike the larger society, where the age range can go from less than one day to more than a century old, the age boundaries of a work organization are far more restricted. "Young" means the late teens and "old" late middle age. Such organizations are typically age-truncated. This fact has implications. For example, organizations are deprived--for better or worse--of the experience, advice, wisdom of old or long service members. (See Schrank and Riley, 1977, for an example of positive benefits accruing from continued inclusion of older people in the firm.)

Firms as Age Stratification Systems

Work organizations are not only a constituent part of the societal age stratification structure, but are a microcosm--maybe even a charicature--of it as well. Replicated within a firm, for example, are an age structure of people and a corresponding age structure of roles. Like their counterparts in the larger society, these structures are far more complex than the elegant simplicity of the model would imply. In the firm's age structure of people, for example, sometimes organizational age (length of time with the firm)

or job age (tenure in job) may be more significant than actual age in qualifying for roles. At other times, actual age (whether or not legal) may be the determinant of success or failure to connect with a desirable role.

Similarly the structure of work roles of a firm is seldom neatly hierarchical or unambiguously stratified by age. In fact, there may be a large number of roles--elevator operator or cafeteria worker--for which no age norms exist at all. Or access to certain roles may be based primarily on seniority or on subjective evaluation (Halaby, 1979). Moreover, the age structure of roles within a firm may have a different shape for men than for women despite the advances in opportunity created by affirmative action programs. Or there may be a professional track which is different from the managerial one.

Again, like its societal counterpart, the age structures of people within the firm are dynamic. Clearly, employees age, terminate, are hired, take leaves, become disabled. The age structure also changes in response to events external to the organization as well as to companywide or more local internal policy. Just a decision to prefer or require college degrees for a set of jobs for which having a high school diploma once qualified, can have a dramatic effect on the various age structures maintained by the firm--both immediately and in the long term. Or the age structure may change in unanticipated ways by national policies that impinge

on usual boundaries of labor force participants. The number of those over 65 in a firm, for example, may inch upward now that retirement at that age can no longer be made mandatory by the firm, creating an unwonted age stratum. Or a military draft along with high college entry or a baby boom may empty the firm of young adults.

The age structure of roles in a firm is likewise dynamic--a fact often perilously overlooked by students of formal organizations, career paths and mobility. Roles may come and go in a firm with remarkable frequency. New roles are created, and old ones are abandoned (either temporarily or permanently). Roles are merged, resulting in one combined role. Roles are divided, leaving two (or more). Roles are upgraded, and occasionally downgraded. Role descriptions change as new skills are needed or some duties become obsolete. And each of these shifts affects other roles. In some cases if new jobs are created, the role of manager of these jobs may get upgraded because of the added responsibility of managing additional jobs. Sometimes a whole new stratum in the hierarchy may be created as technology or a new product creates an entire set of jobs at a particular level. As new roles emerge, new age criteria are generated which govern the process of allocating people of various ages to roles.

Age Norms and Work Roles

Despite their complexity and ever changing nature, the age structure of people and of roles in a firm yield fairly recognizable and stable strata. At the least, people in the firm can be stratified along such dimensions as newcomer, veteran, and senior--each stratum with more or less consensual age boundaries. And norms exist to suggest what kinds of roles are seemly and "only fair" for newcomers, veterans, and seniors.

Of course the way roles are stratified in the firm may be quite complex. For example, some companies have devised systems with ten, twenty, or even sixty-five designated ranks below the officer level. Various kinds of age norms develop around these numerous strata. For example, the bottom ten percent of grades may be deemed inappropriate or "behind schedule" for all but those of low actual or organizational age. Placement in another grade band, say somewhere in the middle, may have to be attained by a specific actual age or job age to ensure remaining "on schedule" throughout the rest of the person's career. And to be close to the upper ranks while of low actual age is a clear signal that someone is "ahead of schedule." Indeed, such violations of the norms attract notice. For example, when a relatively young person is named president or chairman of the firm the appointment is given special journalistic attention. It's news. Nonetheless, according to Sofer (1977) businessmen tend generally to

define success as being on or ahead of schedule. This is one aspect of aging within formal organizations that has been discussed frequently within the sociological literature (Neugarten and Hagestad, 1976).

Age norms serve not only to determine and indicate a person's career progress but can also prevent such progress from taking place. For example, there may be some bias against starting an older worker in a long term developmental career path or even a short term training program. Organizational "allocators" may believe that the potential amount of time in which the organization can profit from the investment is too short to warrant starting the process (cf. Gary Becker, 1964; Mincer, 1974). This sort of calculation may be misguided with the extension of mandatory retirement age, since middle-aged or older workers are more likely than young to stay with the organization (cf. Waring, 1978).

Age and the Allocation of Organizational Rewards

Social roles have differential social regard because they have differential amounts of money, power and prestige attached to them. Translated into the context of a firm, jobs are differentially valued because they have differential salaries, titles and authority to command people or company resources. In employing organizations, the jobs with the highest quotient of each or some combination of these rewards are highest on the role hierarchy. And in terms of

the stratification system based on age--whose norms typically specify approximate time intervals between moves up the hierarchy--they should only be available to the most senior members of the company. And in fact, that is most often the case. Those in roles having the most financial rewards, power and prestige tend to be old. (Rosenbaum, 1979a; Davis, 1978.)

It probably should be reiterated at this point, however digressive, what old or gerontocratic generally means in the context of a firm. Historical trends toward earlier retirements and withdrawals from the work force for health reasons has meant that today in the United States there are relatively few people in the older age strata of firms (Schwab, 1974). Indeed, it was the discovery of this fact by the business community that explains why there was not more vigorous opposition to the 1978 amendment to the ADEA. Thus the lower boundary of "old" tends to mean in terms of actual age somewhere in the mid to late fifties and in organizational age probably two to three decades with the firm.

The important question thus becomes why should age be a criterion for the allocation of the best organizational rewards. In part, age has such legitimacy because it may be seen as an index or surrogate for some characteristics thought to be important for top management positions. For example, age may serve as a rough index of knowledge and experience, and organizational age ties this knowledge and experience to the

specific history of the firm.[1] Age--and especially organizational age--may also be seen as an index of insider know-how: of how things are best done and who knows how to get them done. Since organizational allocators are also likely to be senior, there is also unlikely to be a negative set against selecting an older member of the firm for top positions.

It appears age stratification also solves problems for the work organization. To have older members of the firm in the top ranks, for example, ensures turnover in the top ranks. By contrast to admit a younger member to these ranks could create a tenure of several decades in a leadership position--blocking mobility for some and perhaps courting stagnation in the role. (Jennings, 1976). In addition, arguments have been made that having older people have greater rewards serves as a motivational system. Younger workers are thereby given a reason to improve present performance in the hope of such eventual reward (Hall, 1976). In like manner, the high age-high reward relationship may serve as an inducement to workers to stay with the company. It could also be argued that the organizational age stratification system facilitates socialization of new recruits as it replicates the pattern of age hierarchical socialization found

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[1]The importance of age as a surrogate for particular characteristics may vary from one organization to another. Davis (1979) argues that in new firms requiring "knowledge," youthful management appears to be more successful: in mature firms where experience is important older leadership is more successful.

in other settings (Parsons and Platt, 1977).

Maintaining the Age Stratification System

Several organizational practices serve to support or maintain the age stratification system. For example, by insisting that workers go through various positions, levels, educational training, credential gathering or otherwise "putting in time" before moving ahead, some age order is maintained. Whether the skills or talents developed through these long socialization processes are necessary (or even useful) as background for a high level position may often be difficult to justify. But the existence of a career path, virtually any career path, as long as it takes up time and prevents very young people from assuming--or feeling they can assume--high level positions is functional for maintaining the age grading system within the organization.

Other structures and practices also serve to preserve a system in which increments in age bring increments in organizational rewards. The stratification structure itself, for example, contributes to its continuance. Like its counterpart in the larger society, the organization's social stratification system has three dimensions: class, prestige, power, or, as represented within the work context: salary, title, power. This tripartite structure of rewards, however, is more easily discerned and distinguished within the social microcosm of the work organization than in the society at large.

While advances in age ordinarily would lead to increments in position with each of the three structures simultaneously, this is not necessarily the case. Movement in one structure is certainly not independent of movement in the others; however, it is also not contingent. (Status inconsistency is, of course, a typical feature of social stratification in the larger society (cf. Lenski, 1966).) For example, an ineffective executive need not be formally demoted in order to make way for more capable replacement. Only the power he or she has needs to be removed; prestige may be kept intact by a title with a high position on the organizational chart, and remuneration increased. This, of course, is the operational definition of a "kick upstairs." While costly to an organization in terms of the compensation given to an older employee, it resolves the problem of who should perform in a role (the power question) while preserving the semblance of integrity of the other two components of the reward structure.

Conversely, a promising employee may be given a role with power extraordinary for his or her actual or organizational age. Both salary and prestige levels may not yet be commensurate with level of power. The partibility of rewards allows this "violation" of the age-reward system. Should, say, the young person prove inadequate, then power can be withdrawn. Since advances in the other structures were withheld earlier, the three rewards would thus fall back into alignment.

The tripartite reward system appears to ensure flexibility. It allows rewards to be given and taken back in accord with organizational needs, while simultaneously supporting an age stratification system in which rewards manifestly accrue with increasing age. It thus preserves the overall relationship between aging and rewards.

Age and Innovation

Two common stereotypes about organizational life are that age of leadership is inversely related to innovation and that "new blood" (typically young) serves to invigorate and restore. Given that top management positions in firms are usually held by executives who are older in both actual and organizational age, it seems useful to explore the contention that they would be a less innovative set of leaders than younger people. Our guess is that older executives are probably not less innovative than younger subordinates or even equals. Contrary to the conventional wisdom, the greater likelihood is that the firm will be made up of young fogies and old Turks.

Consider the situation of new, typically young recruits to the company. For the most part, their concerns necessarily focus on learning norms, definitions, and rules which will allow them to perform in ways that will be recognized and rewarded. If they are ambitious and aspire to high positions ultimately, they will be especially anxious to do things well,

avoid risks, follow instructions, and learn the accepted way of doing things (Hall, 1976). If they fail in the expected, they may never assume the position of responsibility they seek, and may even be separated from the firm (cf. Schein, 1971). The little research on organizational age and job age relationships suggests that newcomers to jobs in organizations are made uneasy by autonomy during the first stages of the job socialization; organizational veterans while being resocialized to new jobs appear to be interested in establishing their competence in the new position (Katz, 1978). In short, the risks and time associated with innovation make it an unlikely undertaking for young and upwardly mobile employees.

To be sure older members of the corporation are likely to be thoroughly steeped in the organization's rules, norms, and mores as a result of their long association with the firm and, perhaps, because they have contributed to the emergence and preservation of these traditions. It is even possible that, in some circumstances, older workers prefer to reward behavior that is consistent with the internal culture. Great knowledge of the company's ways, however, does not necessarily serve to stifle innovative efforts but may instead foster them. For example, successful innovations typically first require extensive familiarity with existing procedures and methods. Such familiarity, a result of long association with the firm, facilitates identifying the areas where the introduction of change could be the most

useful, how it might be done, and with what results. Thus greater actual age along with greater organizational and job age can combine to provide older executives, work group leaders, secretarial supervisors, etc., opportunities to make novel interventions in work life which forward the organization's goals.

Older members of the firm tend also to have more organizational power than young members. To have an innovative idea taken seriously and to have it implemented is simply more likely when proposed from a position of power. Similarly, should putting the innovation in place require access to a range of company resources or require compliance with new sets of rules at many levels of the hierarchy, the power available to the older innovators makes for less frustration and a smoother course than a younger person could expect.

There is still another reason why older employees may be more likely than younger ones to be innovative. Many older people will have a fairly clear retirement date in mind. For some, this will mean that they face little risk in proposing something--even if it could be embarrassing to a superior or for which they have been otherwise constrained from doing in prior years. Others, before leaving the firm, may be motivated to create a memorial by inventing new ways of governing or organizing the company to ensure orderly succession; instituting a new program; releasing a new product.

Of course, not all older people will be innovative or more innovative than they were when young. Some will feel threatened by suggestions for doing something differently, especially if they have an emotional stake in a process that they developed earlier.

Certainly this line of reasoning about a positive age-innovation relationship is not widely accepted. But neither this nor the other negative position has been put to adequate test--that is, a longitudinal one.

FORMAL ORGANIZATION AND AGING PROCESSES

So far the look at age and organizations has been largely cross-sectional: how firms fit into the age grading system; how age is a criterion for roles; how age is implicated in the allocation of organizational rewards; the salience of the age of leaders, and so forth. Next we look at what the age stratification paradigm calls age dynamics--the processes of aging and cohort flow as they are expressed in employing organizations. The emphasis is on change and time.

Aging in Organizations

Several kinds of individual aging take place within the firm--with the organization itself shaping and defining a great deal of how that process takes place. The roles people assume, the environment in which they work, the opportunities they seize are all relevant to the aging process. For

example, it is likely that if a job has sufficient complexity, then intellectual flexibility will be maintained while growing older (Kohn and Schooler, 1979). Or if the environment is noxious, physical decline will be accelerated. Or if work is not particularly satisfying, a decision will be made to retire early (Barfield and Morgan, 1969). However, there are too few longitudinal studies involving more than one age cohort to say much about how ordinary aging in the context of a firm ordinarily is expressed. One cross-sectional study, however, asserts the longitudinal conclusion that successive cohorts of young workers are likely forever to have low job satisfaction relative to older workers because young workers simply are given the unattractive jobs while older workers are given the better jobs. Eventually the young will attain these jobs and increase work satisfaction ( ).

A similar lack of longitudinal data hinders the effort to describe organizational aging--what attitudes and behaviors are associated with increasing increments of time spent with the firm. Studies of those recruited in a certain period of time such as a calendar year--organizational cohorts--are needed, but such studies are very rare. However, there is some evidence from one analysis of successive cohorts that as organizational age increases the likelihood of staying with the firm increases, and the likelihood of a promotion decreases (Rosenbaum, 1979b). However, a persistent failure to get a promotion appears to be an impetus to leave. (ELAS, unpublished data.)

A major longitudinal study by Bray (1978) and associates focuses on two cohorts of ATT managers of similar actual age and identical organizational age. This could serve as a prototype for future kinds of research relating to aging and organizations. Although his respondents represent a small and select population, the kinds of findings his research reports may have more general significance.

For example, Bray finds that the managers he studied--however successful they were--became more "independent, achievement oriented, unaffiliative, and hostile" over the twenty year period of the study.

Bray recently began studying a new cohort, which has roughly the same "starting profile" along psychological dimensions, as the original cohort. Thus Bray's method counters the possibility that the longitudinal change he discovered is merely a cohort--and not an aging--phenomenon.

Similar problems arise in the effort to indicate the salience of job age--the time spent in particular role. While some evidence indicates that tenure in a role increases commitment to a role (Price, 1977), this is beginning to come under some challenge (Sarason, 1978) but the data here are largely anecdotal.

Mobility

In the age stratification paradigm, aging is also a form of automatic mobility. With ineluctable force, the sheer passage of time propels people through successive age strata and thus through the roles that have been socially allocated to these strata. Indeed moving into and out of the expected sequence of roles is the description of social aging.

While advancing in age--actual, organizational, and job--is similarly inevitable within the work organization, mobility through the role structure is not assured. Nonetheless, there is a strong relationship between aging and mobility. The scant literature as well as several sources of unpublished data indicate that it is virtually axiomatic that age and the probability of being promoted are inversely related (Rosenbaum, 1979a). In a firm, promotions are granted with the greatest frequency to the young and with least frequency to the old--both in actual and organizational age. Several explanations have been offered for this phenomenon.

One explanation is that departures from the firm occur at much higher rates among young people occupying the lower ranks than among older employees in the higher ranks of the organization. Opportunities for mobility are therefore more plentiful for the young for whom such positions would be a

step up. Moreover, the tendency of young people to leave the firm for a variety of reasons--including that rewards are perceived as inadequate--may induce managers to offer promotions to relative newcomers as a way to increase retention. Evidence suggests that those who have been mobile are less likely to leave their employers than those not promoted. (ELAS, unpublished study, Bray, 1978.) By contrast, neither vacancies nor threats of departure--because of their rarity--create many mobility opportunities for older workers.

Still another explanation for the differential frequency of upward mobility of the young and old may reside in the structure of the job hierarchy itself. The distance between two adjacent grade levels may be different at different locations in the grade structure. For example, crossing the boundary between grades one and two may be a relatively routine matter. The jobs that are defined as at a grade two level may have little added complexity or responsibility than those in grade one. Higher in the grade hierarchy, however, there may be threshold or barrier grades; that is, particular grades for which the qualifications are stringent and, if met, mean further mobility or, otherwise, a stalled career. If, say, one threshold grade were nine, then the distance between grade eight and nine would be "larger" than between one and two or probably 10 and 11. Similarly, the step from grade 19 to 20 could be a matter of great moment for both the individual and the organization. The

point is that the increments in power, money or prestige probably would be greater at the higher reaches of the hierarchy. In this sense, the age and mobility argument is somewhat attenuated; for older people, mobility tends to mean more--both to themselves and to the organization--because it occurs at higher levels.

None of these explanations, while neither incorrect nor implausible, provide a satisfying theory of the relationship between accelerated mobility and youth or of the larger concern here of the relationship between age and organizations. In the interest of stimulating research, let us propose a new conceptualization of the issue that we call the "gap theory."

Young people, upon entering a firm, are ordinarily assigned a rank or level far below that which they are expected to attain and even below that in which they might give a good accounting of themselves. The practice is widely in force in work organizations and widely accepted by the new recruits. The question is why this practice is given such legitimacy.

There appear to be two major reasons. One is that the recruit has not yet had a chance to demonstrate his or her capabilities, however substantial and valuable they may prove to be. Roles with high rewards are not usually given merely because of potential. The other reason is motivational. Recruits see older workers--perhaps with less potential and

not fully adequate performances--claiming rewards. Thus rewards are perceived as available in the future for adequate performance in the present. In addition, veteran workers probably would be demotivated to see newcomers given rewards equivalent to theirs without "putting in the time."

The next question is if the age-based reward deficit is set at the outset, when and how is it eradicated so that rewards finally become commensurate with performance--regardless of age? The answer is probably a long time.

The hypothesis here is that the discrepancy between performance and reward is greatest at young actual and organizational age. Therefore, to keep the gap from becoming demotivating to the recruit, the pace of reward improvement will be greatest when the gap is greatest: early in the career. Moreover, given that the gap is most apparent at that time, a promotion is most easy to justify to the institutional allocators. The obvious inequity between reward and effort in the situation becomes a strong plea for redress.

As the gap between earnings (rewards) and contributions narrows with increasing age, promotions become less frequent. For an organizational age cohort of older people this means not only that a smaller proportion are promoted within a given year, but also those who get promoted wait longer between promotions--as it takes longer for a "gap" to build

up. Indeed some people will have reached a point where they no longer receive any promotions, because no discripancy is perceived between their rewards and their contributions. Others will have a "negative" gap, where for some reason rewards are perceived as exceeding the contribution made. Sometimes this may be justified within the organization as recognition for an essential past contribution or because an individual was inequitably treated in the past. This situation, probably occurring only occasionally, has been humorously elevated to a general principle by Lawrence Peter (1969) and seriously pursued by several researchers (e g., Schaefer, Massey, Hermanson, 1980), i.e., that people are promoted to their level of incapacity or incompetence.

It seems plausible that the "gap theory" could supplement human capital theory (Mincer, 1974; Becker, 1964), providing an additional set of variables to describe earnings over a life course. The theories are similar in that each makes estimates of the value of human work to organizations (or within labor markets). The extent to which "human capital" calculations are actually made by those allocating rewards, however, is an empirical question. Our sense is that such calculations are not ordinarily made at all; calculations based on the age-reward gap, however, are commonplace often in rather explicit terms. Hence, though the two theoretical approaches are not inconsistent, empirical tests reflecting

contributions to the "real life" of firms might prove illuminating.

Organizations and the Succession of Cohorts

Work organizations, like other social systems, need a continual replenishment of the ranks in order to survive. Each year (or some other period) therefore they bring into their boundaries a new cohort of recruits to replace those who have moved out or moved up or to fill recently created jobs. Together the members of this new cohort begin the process of organizational aging--and perhaps in the course of such aging introduce organizational change (Waring, 1976).

The number and characteristics of the people brought into the firm at the same time can have far reaching consequences. For example, bringing in a large young (in actual age) cohort into the organization--nearly all at the bottom--probably means that considerable resources are needed for training, orientation, and socialization. The members of the large cohort may put extraordinary pressure upon the corporation's reward and mobility system as more than the usual number would be seeking next level positions. As a result, new positions may have to be created or the customary age criteria relaxed to ensure that the talented and able members of the cohort would stay on with the firm. The interaction of numbers and mobility pressures may also press

management to give special attention to early and frequent performance appraisal and other kinds of evaluations--perhaps to skim the cream.

It should be stressed, however, that having an unduly large and unwieldy cohort in a firm need not happen unless planned at the outset. Unlike society and its birth cohorts, corporate management can set limits on the number of entrants it admits. Nonetheless one type of cohort explosion can occur in much the same way a population explosion might occur--by a fall in the rate of attrition. In many ways, it is the size of the cohort in its second year of age that best suggests what its aging patterns will be.

It should also be noted that the composition of the cohort can vary widely from one year to the next and that the diversity of the cohort generally indicates the many kinds of aging patterns that will be traced by its members. For example, some cohorts may have large numbers of older people who arrive at the firm with "advanced standing"--those who,in a demographic analogy, are more like migrants than newborns (Waring, 1973). That is, on the basis of previous experience, education and actual age, they start at high levels in the firm rather than near the bottom. In doing so they not only have a wide spread between actual and organizational age, but can also expect to have a mobility

pattern somewhat different from the others in the cohort. By contrast, there might be substantial numbers of older women in the cohort starting at the bottom anticipating an aging pattern like that of younger women--but probably not of younger men in the cohort.

It seems likely that it will be the study of the aging individual cohorts and the succession of cohorts that will most enrich our understanding of organizational processes and aging. To discover how and with what consequences each cohort as an aggregate of members and each of its subpopulations fashion career paths, interact with organizational rules and challenge customary policies, respond to environmental events, could be a major contribution to the theoretical foundations of this area of the discipline.

Aging in an organization is not unlike walking through the cars of a moving train. As individual walkers change position so does the organization move on and change position in its environment. Nothing will be ever exactly the same again for successive cohorts of newcomers or veterans or seniors or the firm itself. What impact the aging of the firm has on careers or its rewards stratification structure or on commitments has at best only been briefly alluded to here. However, such issues are important to understanding what age and aging mean in the context of a firm and for improving our understanding of adult socialization.

In this paper we have tried to show--both by pointing to gaps in the literature and suggesting perhaps provocative theories--many things we have to learn about aging and work organizations. In doing so, we hope to have stimulated some to take on the task of such discovery.

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